

# Beta Glass Plc

## Director Suitability Policy

Policy Number:

Review Number (New document)

Responsible Person:

Approved by the Board on: 24<sup>th</sup> day of March, 2022

### 1. Introduction

This Director's Suitability Policy of Members of the Board of Directors (hereinafter the "Policy") has been prepared in accordance with the provisions of Nigerian Code of Corporate Governance 2018 (NCCG) and sectoral guideline on Corporate Governance (SGCG) by Securities and Exchange Commission (SEC)

This Policy takes into account the relevant best practices and is consistent with the Company's Corporate Governance Code applied by the Company.

Furthermore, in the preparation of this Policy, the nature, value, culture, internal organisation, risk appetite, scale and complexity of the Company's activities, including the development and promotion of new products and business practices, among others, have been taken into account.

### 2. Purpose

This Policy aims to ensure quality staffing, evaluation of effective operation and fulfillment of the role of the Board of Directors, based on the overall corporate strategy and medium long-term business pursuits of the Company in order to promote its corporate interests.

The Governance and Remuneration Committee (GaRC) has the responsibility of searching and identifying suitable individual for appointment to be on the Board and

identifying gaps in relation to the suitability of existing members of the Board of Directors on both individual and collective level. For this purpose, the Board of Directors conducts its self-assessment annually. In addition, the Board of Directors is evaluated by third party consultants every three years.

### **3. Nomination, Replacement, Renewal of the term of office of members of the Board of Directors**

The Company, in the context of implementing a structured and adequate corporate governance framework, has adopted specific good corporate governance practices for the benefit of shareholders and other stakeholders. The Board of Directors is responsible for the application of these principles in the Company's operations as well as the exponent of the Company's management philosophy

The objectives of the Policy are to support and promote the accumulation of a wide range of requisite characteristics and skills during the appointment of members of the Board of Directors in order to achieve a variety of views and experiences and encourage independent opinion.

The GaRC is responsible for the identification and proposal to the Board of Directors of persons suitable for filling the vacancies of the Board, in accordance with the Corporate Governance Code applied by the Company. For the nomination of candidates, the GaRC takes into account the factors and criteria determined by the Company, in accordance with the existing Policy.

The Board of Directors of the Company are appointed by the Shareholders and are divided into executive, non-executive and independent non- executive members. The independent non-executive members cannot be less than one third (1/3) of the total number of members of the Board of Directors and in any case no less than two (2). The Board of Directors of the Company has a sufficient number of members and a suitable composition.

The Company seeks the staffing of the Board of Directors with persons of good moral standing and reputation who act with honesty, integrity, responsibility and fairness and avoid actions that endanger the competitiveness of the Company and conflict with its interests. In addition, the members of the Board must have the appropriate skills,



experience required, based on the tasks they undertake and their role on the Board of Directors as well as a high level of business, international and financial knowledge. At the same time, Directors should allocate sufficient time for the performance of their duties.

The independent, non-executive members must be able to provide the Board of Directors with objective views and advice for its decisions, to protect the interests of the Company, shareholders and employees, while management is responsible for ensuring the implementation of the strategies and policies decided by the Board of Directors.

The candidates for Director roles are expected to have appreciable knowledge of the culture, values and general strategy of the Company as provided in the Board's Training Policy. During the renewal of the term and the replacement of a member, the evaluation of the individual and collective suitability are taken into account.

#### **4. Suitability Assessment Criteria**

The members of the Board of Directors must meet the suitability criteria based on the requirements of their role, both during the selection, replacement and renewal of their term, as well as for the entire duration of their term.

The Company shall routinely monitor the suitability of the members of the Board of Directors in order to trace incidents or cases where reassessment of their suitability is deemed necessary. In particular, reassessment of suitability may be recommended in the following cases:

- a. where doubts arise as to the individual suitability of a member of the Board of Directors;
- b. where there is a significant adverse impact on the reputation of a Board member;
- c. in case of events which may significantly affect the suitability of a Board member, including cases where the members do not comply with the Conflict of Interest Policy of the Company, is unable to dedicate sufficient time to the duties of the Board (including attending meetings), etc.

In order to ensure individual and collective suitability, a suitability criteria for the members of the Board of Directors has been determined. The criteria are general and applicable to all members of the Board of Directors, irrespective of their status as executive, non-executive or independent non-executive members.

Individual Suitability Criteria			
Knowledge and skill	Ethics and Reputation	Conflict of Interests/ Independence of Judgment	Devotion of Time
<ul style="list-style-type: none"> <li>▪ Hands-on and professional expertise in chosen field</li> <li>▪ Understanding of Corporate Governance pre-requisites</li> <li>▪ Working knowledge in corporate matters</li> <li>▪ Management capabilities and effectiveness</li> <li>▪ Harmonious cooperation with senior executives and the employees of the company and communication skills</li> <li>▪ Constructive criticism</li> <li>▪ Intellectual Curiosity</li> <li>▪ Conscientiousness</li> <li>▪ Contribution to development prospects</li> <li>▪ Receptiveness to innovation</li> <li>▪ Active listening</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strong sense of corporate legitimacy</li> <li>▪ Reliability and Integrity</li> <li>▪ Prestige</li> <li>▪ Good character and reputation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Impartiality</li> <li>▪ Objective and comprehensive point of view</li> <li>▪ Courage, conviction and strength</li> <li>▪ Constructive criticism</li> <li>▪ Individual judgment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Attendance of at least 70% of board meetings (physically or virtually)</li> <li>▪ Attendance of at least 70% of board committee meetings (physically or virtually)</li> <li>▪ Discharge of review responsibilities on board/board committee papers and other preparatory documentation</li> <li>▪ Availability for scheduled critical engagements (training sessions, etc.)</li> </ul>
Collective Suitability			
Collective Expertise		Diversity	
It mainly concerns: <ul style="list-style-type: none"> <li>▪ The business activity of the Company</li> </ul>		<ul style="list-style-type: none"> <li>▪ Sufficient gender representation of</li> </ul>	

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<p>and the main risks associated with it</p> <ul style="list-style-type: none"> <li>▪ Strategic planning</li> <li>▪ Financial statements &amp; reports</li> <li>▪ Compliance with the legislative and regulatory framework</li> <li>▪ Understanding of corporate governance issues</li> <li>▪ The capacity to recognise and manage risk</li> <li>▪ The impact of technology on its activity</li> </ul>	<p>at least one third (1/3) on the basis of the total number of Board members.</p> <p>No exclusions shall take place due to discrimination on the grounds of sex, race, color, ethnic or social origin, religion or beliefs, wealth, birth, disability, age or sexual orientation.</p>
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In more detail, it is recommended that all areas of knowledge required by the business activities of the Company are collectively covered by the Board of Directors through sufficient expertise among its members.

### 5. Diversity Consideration

The Board of Directors is comprised of a wide range of members with diverse, but supplementary skill sets. It has an open and transparent culture, with respect towards different approaches and views, which is representative of the values of the entity. In addition, it is progressive and thoughtful, while, at the same time, it promotes prudent risk taking.

The Company has in place and applies a Diversity Policy, in order to promote an appropriate level of diversity within the Board of Directors and a diverse group of members. By gathering a wide range of qualifications and skills during the selection of the members of the Board of Directors, the diversity of views and experiences for sound decision making are ensured.

Based on best practices, the Board of Directors publishes the details in relation to its composition in order to promote its diversity and highlight how the management skills and qualifications are aligned with the strategy of the Company.

In this context, sufficient gender representation is also provided for, at a minimum of one third (1/3) of the total number of Board members, while all the necessary measures in order to exclude discrimination on grounds of gender, race, color, ethnic or social

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origin, religion or beliefs, wealth, birth, disability, age or sexual orientation are taken into account.

The Board of Directors must encourage diversity of thoughts and ideas in the decision-making process by maintaining an open and inclusive environment where every member feels valued and receives the respect of the other members for his personal ies and beliefs.

For further information, please refer to the Diversity Policy of the Company.

#### **6. Application, Monitoring & Amendment of the Policy**

Monitoring the application of the Policy is the responsibility of the Board, with the assistance, when deemed necessary, of the Internal Audit Unit and/or Compliance Unit, the GRC and the Company Secretary.

The Company shall keep records of the results of the suitability assessment and in particular, of any shortcomings traced between the stipulated and actual assessment of individual and collective suitability, as well as of the measures that need to be taken in order to resolve such shortcomings.

#### **7. Review**

This Policy shall be reviewed every 4 years or need basis to ensure its continued applicability and relevance to the Company's operations and stakeholder expectations.

#### **8. Approval of this Policy**

The Board of Directors of Beta Glass PLC approved this Policy on this 24<sup>th</sup> day of March, 2022.

  
Chairman

  
Secretary